

Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEx website at: <http://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp2013042.pdf>

Where there is insufficient space provided for your comments, please attach additional pages.

- A) Do you agree with the proposal to rename the definitions of “connected person” and “associate” in Chapter 1 as “restricted connected person” and “close associate”?

☒ Yes

☐ No

If your answer is “No”, please give reasons for your views.

- B) Do you agree with the proposal to align the definitions of connected person and/or associate in each of the Rules described in the table under paragraph 13 of the Consultation Paper with those used in Chapter 14A? If not, please give reasons for your views.

Rule no.	Yes	No	If your answer is “No”, please provide reasons.
<u>Transactions</u>			
1. R14.06(b), R14.23B(2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
R14.92	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. R14.58(3), R14.63(3)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3. R5.03, PN12- Para 15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Rule no.	Yes	No	If your answer is "No", please provide reasons.
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Issues of securities

4.	R7.21(2), R7.26A(1)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5.	N1 to R13.36(2)(b), R19A.38	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Share option schemes

6.	R17.03(4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R17.04(1), N1 to R17.04(3)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R17.06A, R17.07	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Repurchases of securities

7.	R10.06(1), (2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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Voting at general meeting

8.	R2.16	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	N2 to R14.33, R14.46, R14.49, R14.55, R14.63(2)(d)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	R13.68	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	PN15 – Para 3(e)(2)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9.	R6.12, R6.13, R7.19, R7.24, R13.36(4), R14.90, R14.91, Note to R13.39	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2

Rule no.	Yes	No	If your answer is "No", please provide reasons.
10. PN4 - Para 4(c)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11. R21.04(3)(d)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Voting at, and quorum for, board meeting

12.	R13.44	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	App3 – Para 4(1), N1 to App3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	App14 – Para A.1.7	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	App14 – Para B.1.2(h)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Independent non-executive directors ("INEDs"), independent financial advisers ("IFAs") and sponsor

13.	R3.13	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	R13.84 (see also item no. 14 below)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	R13.80 (see also item no. 14 below)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R3A.07(3), (6)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	PN21 – Para 14(g)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
14.	R13.84	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	R13.80	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
15.	R3A.05	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Rule no.	Yes	No	If your answer is "No", please provide reasons.
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Disclosures in issuers' documents

16.	R7.16	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	App1A – Para 28(1)(b)(v), App1E – Para 28(1)(b)(v)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	App1B – Para 26(1)(b)(v), App1F – Para 22(1)(b)(v), App16 – Para 31(5)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	See Appendix 2
	R21.08(12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Depository

17.	R19B.03	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
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Investment companies

18.	R21.04 (3)(a)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	R21.04 (4)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

- End -

**CONSULTATION PAPER ON PROPOSED CHANGES TO ALIGN THE DEFINITIONS OF
CONNECTED PERSON AND ASSOCIATE IN THE LISTING RULES**

Reasons for answers with a “No”

We are of the view that:

1. The scope is too wide and causes significance compliance burdens on the issuers as they need to establish systems and controls to capture vast amount interest of family members of directors and shareholders.
2. The rights of the extended family member will be affected as they are not allowed to vote in certain matters which they are not directly related.